



The Competitive Carriers Association

Rural Cellular Association

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October 17, 2011

Via ECFS

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: CC Docket No. 01-92; WC Docket No. 10-90; WC Docket No. 07-135; WC Docket No. 05-337; GN Docket No. 09-51

Dear Ms. Dortch,

On October 13, 2011, Steven Berry and Tim Donovan of RCA had a telephone meeting with Louis Peraertz, Legal Advisor to Commissioner Clyburn, to discuss proposed Universal Service Fund ("USF") and Intercarrier Compensation reform. Specifically, RCA and Mr. Peraertz discussed the proposed Mobility Fund and possible accompanying conditions.

RCA reiterated its concern that the amount of support in the Mobility Fund is insufficient. RCA explained how it could support a \$800 million Mobility Fund, a significant compromise from RCA's originally requested \$1.5 billion, if the FCC also allocates a sufficient amount for annual operating expenses and if the largest wireless carriers and rural local exchange carriers are prohibited from participating in the Mobility Fund. As the FCC has stated, wireless is often the most efficient technology, and the technology consumers are choosing, especially low-income and minority consumers.¹

¹ See *In re* Amendment of Part 101 of the Commission's Rules to Facilitate the Use of Microwave for Wireless Backhaul and Other Uses and to Provide Additional Flexibility to Broadcast Auxiliary Service and Operational Fixed Microwave Licensees; Petition for Rulemaking filed by Fixed Wireless Communications Coalition to Amend Part 101 of the Commission's Rules to Authorize 60 and 80 MHz Channels in Certain Bands for Broadband Communications, *Report and Order, Further Notice of Proposed Rulemaking, and Memorandum Opinion and Order*, WT Docket No. 10-153, RM-11602 (Aug. 9, 2011) at 87 (statement of Commissioner Copps); National Broadband Plan at 9, 18, 76–79; Broadband Adoption and Use in America: OBI Working Paper Series No. 1 (Feb. 2010) at 22–23.

In addition to the size of the fund, call participants discussed whether certain conditions are appropriate for recipients of Mobility Fund support. RCA has previously stated that no conditions can reverse the harm of using a reverse auction to award universal service support. However, RCA has long supported tying awards of high-cost support to public interest obligations within the carrier's control. RCA's members are willing and able to meet reasonable obligations that the Commission may choose to adopt as conditions of USF support.² RCA described how all broadband connectivity subsidies should also be subject to specific public interest obligations, including compatibility and interoperability requirements,³ open access, interconnection, data roaming and strict build-out requirements that take into account market realities.⁴

RCA discussed competitive carriers' most immediate and paramount concern of uncertainty surrounding the transition to the Connect America Fund and Mobility Fund. This uncertainty has delayed existing deployment plans, threatens to put future broadband investment on hold, and adversely impacts potential new entrants.⁵ RCA continues to push for a sufficient amount of support⁶ and will continue to consider conditions to be imposed on Mobility Fund recipients. But in the near-term, RCA urged the FCC not to prematurely withdraw existing high-cost funding before sufficient support is available from the planned Connect America Fund and ongoing Mobility Fund.⁷

² Letter of Rebecca M. Thompson, General Counsel, RCA, to Marlene H. Dortch, Secretary, FCC, filed in WC Docket No. 10-90 et al. (Feb. 4, 2011) at 2; *In re Universal Service Reform Mobility Fund, Comments of Rural Cellular Association*, WT Docket No. 10-208 (Dec. 16, 2010) at 1-2.

³ See *In re Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing an Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up, Notice Of Proposed Rulemaking And Further Notice Of Proposed Rulemaking*, WC Docket Nos. 10-90, 07-135, 05-337, 03-109; GN Docket No. 09-51; CC Docket Nos. 01-92, 96-45 (Feb. 8, 2011) at ¶ 283.

⁴ Letter of Rebecca M. Thompson, General Counsel, RCA, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 et al., at 1 (filed Sept. 27, 2011).

⁵ Letter of Rebecca M. Thompson, General Counsel, RCA, to Marlene H. Dortch, Secretary, FCC, filed in WC Docket No. 10-90 et al. (Oct. 7, 2011) at 1; Letter of Rebecca M. Thompson, General Counsel, RCA, to Marlene H. Dortch, Secretary, FCC, filed in WC Docket No. 10-90 et al. (Sept. 30, 2011) at 1.

⁶ Letter of Steven K. Berry, President & CEO, RCA, and Rebecca M. Thompson, General Counsel, RCA, to Marlene H. Dortch, Secretary, FCC, filed in WC Docket No. 10-90 et al. (Aug. 3, 2011) at 5-8.

⁷ Letter of Steven K. Berry, President & CEO, RCA, and Rebecca M. Thompson, General Counsel, RCA, to Marlene H. Dortch, Secretary, FCC, filed in WC Docket No. 10-90 et al. (Oct. 13, 2011) at 2-3.

This *ex parte* notification is being filed electronically with your office pursuant to Section 1.1206 of the Commission's Rules. Please contact us with any questions.

Sincerely,

/s/

Rebecca M. Thompson
General Counsel

cc: Louis Peraertz